

AMENDED IN ASSEMBLY JANUARY 17, 2008
AMENDED IN ASSEMBLY JANUARY 7, 2008
AMENDED IN ASSEMBLY SEPTEMBER 6, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1646

Introduced by Assembly Member DeSaulnier

February 23, 2007

An act to add Chapter 4 (commencing with Section 7292) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL’S DIGEST

AB 1646, as amended, DeSaulnier. Transactions and use taxes: counties: public health.

The Transactions and Use Tax Law authorizes counties to levy transactions and use taxes as special taxes in accordance with the procedures and requirements set forth in that law.

This bill would authorize counties to impose a transactions and use tax for specified public health purposes if certain conditions are met.

This bill would make legislative findings and declarations regarding local public health departments.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) Local public health departments (LHDs) function with the
2 unique responsibility for the protection of the overall health and
3 safety of the community within their jurisdiction.

4 (b) LHDs protect communities from communicable diseases,
5 oversee the medical health response to emergencies and disasters,
6 and monitor and promote the health of communities.

7 (c) The global economy, terrorist threats, and increasing
8 incidence of emerging infections has amplified the importance of
9 a quick public health response.

10 (d) The authority to provide this protection resides in the Health
11 and Safety Code and regulations thereunder. No other medical
12 health provider, private or public, has such responsibility or
13 authority for entire populations.

14 (e) The protection of the public's health transcends social,
15 economic, political, and geographical boundaries.

16 (f) Every resident of a community expects and depends on the
17 effective functioning of the local health department to track,
18 identify, contain, and protect against all communicable disease
19 whether acute, endemic, or emerging.

20 (g) Tuberculosis, HIV/AIDS, E. coli, Norovirus, and West Nile
21 Virus are examples of diseases reported to LHDs that require
22 extensive followup and often containment measures.

23 (h) California has more cases of TB than any other state.

24 (i) Early detection and containment of disease saves tens of
25 thousands of lives and billions of dollars.

26 (j) The recent worldwide epidemic of SARS was contained from
27 any spread at all through the quick and effective work of the LHDs
28 in California.

29 (k) In a disaster or local health emergency, the LHD has the
30 responsibility for the coordination of health resources and
31 minimization of morbidity and mortality.

32 (l) The known medical health implications of a disaster or a
33 health emergency such as an earthquake, large fire, flood, or a
34 disease outbreak such as an influenza pandemic, demand that the
35 LHDs function effectively and at full capacity.

36 (m) It is the LHDs that mobilize and prioritize health resources
37 including volunteers and governmental disaster service workers
38 (DSW).

39 (n) Although the mandate for the LHDs is protection of the
40 whole community and provides as crucial a function as other public

1 safety entities, public health is drastically and dangerously
2 underfunded.

3 (o) Communities may be left vulnerable and the health of the
4 public endangered.

5 (p) While the LHDs receive general funding from the local
6 governing body, there is generally no stability to the funding.
7 Support to the LHDs is generally dependent on local economic
8 health and political will.

9 (q) The protection of the health and safety of communities
10 requires stable and secure funds through a sales tax in the
11 jurisdiction.

12 (r) A public health sales tax will fund specific mandated
13 functions within the LHDs for the purpose of the overall protection
14 of the health and safety of the community being served by a LHD.

15 SEC. 2. Chapter 4 (commencing with Section 7292) is added
16 to Part 1.7 of the Revenue and Taxation Code, to read:

17
18 CHAPTER 4. PUBLIC HEALTH SALES TAX COUNTY
19 AUTHORIZATION
20

21 7292. (a) The Legislature declares its intent that the additional
22 funds derived by counties pursuant to the authorization under this
23 chapter shall supplement, and not supplant, existing local revenues
24 being used for public health purposes and that counties maintain
25 their existing commitment of local funds for public health purposes.

26 (b) In addition to the tax levied pursuant to Part 1.5
27 (commencing with Section 7200) and any other tax authorized by
28 this part, a retail transactions and use tax ordinance applicable in
29 the incorporated and unincorporated territory of a county may be
30 imposed by the county, if the tax ordinance is approved by the
31 board of supervisors and then placed on the ballot for the approval
32 of a by two-thirds of the electors voting on the measure, or by any
33 otherwise applicable voter approval requirement, at a special
34 election called for that purpose by the board of supervisors.

35 (c) A retail transactions and use tax approved by the electors
36 shall remain in effect for the period of time specified in the tax
37 ordinance. The tax may be continued in effect, or reimposed, by
38 a tax ordinance approved by the electors.

39 (d) The county, in the ordinance, shall state the nature of the
40 tax to be imposed, shall provide the tax rate or the maximum tax

1 rate, shall specify the period during which the tax will be imposed,
2 and shall specify the purposes for which the revenue derived from
3 the tax will be used. The tax rate may be in $\frac{1}{4}$ -percent increments
4 and shall not exceed a maximum tax rate of 1 percent.

5 (e) The county shall conduct the special election called for by
6 the board of supervisors pursuant to Section 180201 of the Public
7 Utilities Code.

8 (f) The special election shall be called and conducted in the
9 same manner as provided by law for the conduct of special
10 elections by a county.

11 (g) Whenever possible, the special election shall occur with a
12 regularly scheduled election.

13 (h) Any transactions and use tax ordinance adopted pursuant to
14 this chapter shall be operative on the first day of the first calendar
15 quarter commencing more than 110 days after adoption of the
16 ordinance.

17 (i) *The transactions and use tax imposed pursuant to this chapter*
18 *shall conform to Part 1.6 (commencing with Section 7251).*

19 (j) *Notwithstanding Section 7251.1 of Part 1.6 (commencing*
20 *with Section 7251), the tax rate authorized by this chapter shall*
21 *not be considered for purposes of the combined rate limit*
22 *established by Section 7251.1.*

23 (i)

24 (k) The revenues from the taxes imposed pursuant to this
25 legislation ~~may~~ shall be allocated by the county for the purposes
26 of carrying out the core functions of the local health department.
27 These functions consist of all of the following:

28 (1) Disease surveillance, the active and passive tracking of
29 diseases and conditions, as well as disease trends.

30 (2) Disease investigation, the determination of disease
31 characteristics, extent, and risk to the community.

32 (3) Disease containment, the activity required to limit the spread
33 of a disease and minimize the morbidity and mortality associated
34 with that disease.

35 (4) Disease prevention, using all available means to educate
36 and otherwise keep a disease from impacting a community.

37 (5) Data systems support, the maintenance of registries, reporting
38 systems, and analytical capacity.

39 (6) Disaster and emergency preparedness capacity, to maintain
40 the necessary infrastructure including training and exercise for all

- 1 naturally occurring and manmade disasters and emergencies of
- 2 public health import.
- 3 (7) Chronic conditions.
- 4 (8) Health status monitoring.
- 5 (9) Environmental and health impact analysis.
- 6 (10) Twenty-four hours per day, seven days per week (24/7)
- 7 response capacity.

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